



# **Sarantis Group**

## **Investor & Analyst Conference Call Presentation**

**H1 2016**  
**July 28<sup>th</sup> 2016**

**Presented by :**  
**Kostas Rozakeas – CFO & Deputy CEO**

# Disclaimer

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# Consolidated Financial Highlights

P&L (€ mil.)	H1 '16*	%	H1 '15
<b>Turnover</b>	<b>159.64</b>	<b>20.56%</b>	<b>132.42</b>
<b>Gross Profit</b>	<b>74.33</b>	<b>16.70%</b>	<b>63.69</b>
<b>Gross Profit Margin</b>	<b>46.56%</b>		<b>48.10%</b>
<b>EBITDA</b>	<b>14.89</b>	<b>57.29%</b>	<b>9.46</b>
<b>EBITDA Margin</b>	<b>9.32%</b>		<b>7.15%</b>
<b>EBIT</b>	<b>12.74</b>	<b>68.18%</b>	<b>7.58</b>
<b>EBIT Margin</b>	<b>7.98%</b>		<b>5.72%</b>
<b>EBT</b>	<b>10.24</b>	<b>52.72%</b>	<b>6.70</b>
<b>EBT Margin</b>	<b>6.41%</b>		<b>5.06%</b>
<b>Tax</b>	<b>1.67</b>	<b>-1.66%</b>	<b>1.70</b>
<b>Profit After Tax</b>	<b>8.57</b>	<b>71.13%</b>	<b>5.01</b>
<b>Profit After Tax Margin</b>	<b>5.37%</b>		<b>3.78%</b>
<b>Minorities</b>	<b>0.08</b>		<b>0.00</b>
<b>Net Profit</b>	<b>8.49</b>	<b>69.60%</b>	<b>5.01</b>
<b>Net Profit Margin</b>	<b>5.32%</b>		<b>3.78%</b>
<b>EPS</b>	<b>0.2442</b>	<b>69.60%</b>	<b>0.1440</b>
<b>Provisions on Marinopoulos doubtful debts</b>	<b>2.4</b>		

\* The H1 2016 financial results refer to the Continued Activities of the Group, i.e. excl. provisions for bad debts on Marinopoulos

During H1'16, and in light of the recent developments regarding Marinopoulos, Sarantis Group has made provisions for doubtful debts amounting to €2.4 mil. Total receivables from Marinopoulos amount to 6.4 mil. euros, while the Company has ceased its cooperation with Marinopoulos since December 2015.

Based on a special agreement with Marinopoulos S.A. and the relevant collaterals the management believes firmly that the balance of 4 million euros will be collected in due course.

- H1 '16 Group sales turnover amounted to € 159.64 mil. vs € 132.42 mil. in H1 '15, up by 20.56%, supported by growth across the Group's territory, driven by brand-supporting initiatives, the continuous renewal of the brand portfolio as well as the addition of new brands.
- The decrease in the Gross profit margin is a result of more intense trade allowances given to the clients and indirectly to the consumers, as part of the Group's effort to increase its market shares and maintain its competitive advantage, as well as the inclusion of Polipak.
- Nevertheless, the Group's increased sales and the management's ability to leverage those sales through continued financial discipline and focus behind better sourcing, productivity driven cost savings and the utilization of synergies, lead to double-digit growth in profitability.
- Healthy balance sheet, financial stability and efficient working capital management.
- High participation of foreign countries and of own brands at 61% and 72% of total Group sales respectively.

# Balance Sheet & Cash flow

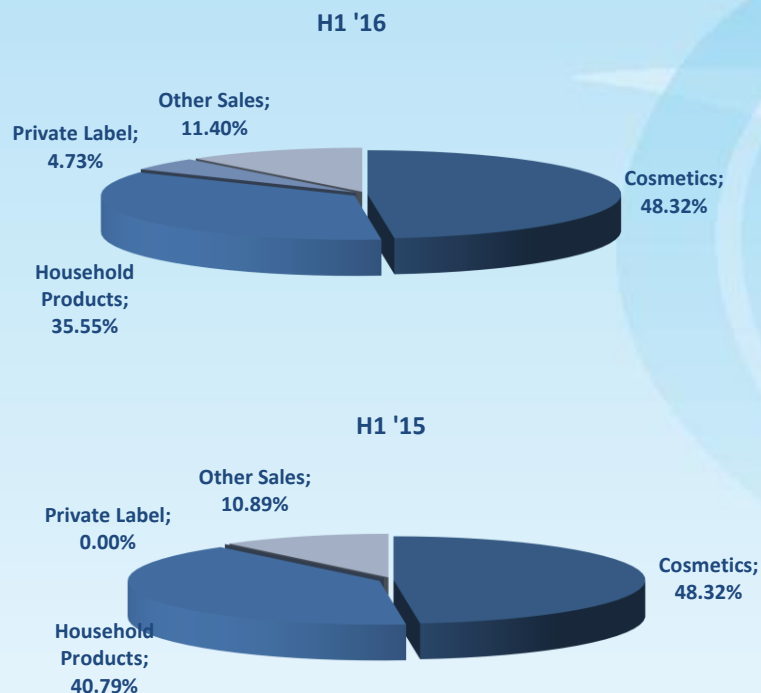
ASSETS	FY '15	%	FY '14
Tangible fixed assets	34.23	0.79%	33.97
Investments in property	0.54	0.05%	0.54
Intangible Assets	33.77	-1.03%	34.12
Goodwill	7.45	-1.07%	7.54
Investments	10.96	25.06%	8.76
Financial assets available for sale	0.62	-31.53%	0.91
Other Long Term Assets	0.36	5.32%	0.34
Deferred Tax	1.21	103.55%	0.59
<b>Total Non Current Assets</b>	<b>89.15</b>	<b>2.74%</b>	<b>86.77</b>
Inventories	58.80	9.70%	53.60
Trade Receivables	86.07	13.04%	76.14
Other Receivables	5.60	-22.49%	7.23
Financial assets available at fair value through P&L	7.14	1.75%	7.02
Cash & Banks	20.14	-39.76%	33.43
Other Short Term Receivables	4.70	166.22%	1.76
<b>Total Current Assets</b>	<b>182.46</b>	<b>1.82%</b>	<b>179.19</b>
<b>Total Assets</b>	<b>271.61</b>	<b>2.12%</b>	<b>265.96</b>
<b>SHAREHOLDER'S EQUITY &amp; LIABILITIES</b>			
L-T Bank Loans	30.10	-6.35%	32.14
Deferred Tax Liabilities	1.94	3.84%	1.87
Retirement Benefit Obligations & Other Provisions	2.04	-25.83%	2.75
<b>Total Non Current Liabilities</b>	<b>34.08</b>	<b>-7.29%</b>	<b>36.76</b>
Trade Creditors	50.80	0.52%	50.53
Other Liabilities	6.30	33.20%	4.73
Income Taxes and other Taxes Payable	5.33	117.46%	2.45
S-T Bank Loans	4.93	144.14%	2.02
Other Short Term Liabilities	3.34	61.64%	2.06
<b>Total Current Liabilities</b>	<b>70.69</b>	<b>14.40%</b>	<b>61.80</b>
Share Capital	53.90	0.00%	53.90
Share Premium	39.37	0.00%	39.37
Other Reserves	13.20	-2.04%	13.48
Minority Interest	1.04	3.81%	1.01
Retained Earnings	59.33	-0.56%	59.66
Amount allocated for share capital increase	0.00		0.00
<b>Shareholders Equity</b>	<b>166.84</b>	<b>-0.34%</b>	<b>167.41</b>
<b>Total Liabilities &amp; Equity</b>	<b>271.61</b>	<b>2.12%</b>	<b>265.96</b>
<b>CASH FLOWS (€ mil.)</b>	<b>H1 '16</b>		<b>H1' 15</b>
Operating Activities	-9.83		-7.30
Investment Activities	-1.09		-3.20
Financial Activities	-4.81		9.63
Cash generated	-13.33		-0.88
Cash & Cash equivalents. beginning	33.43		19.48
Effect of foreign exchange differences on Cash	0.04		0.09
Cash & Cash equivalents. end	20.14		18.69

*Healthy financial position able to finance organic growth, acquisitions and dividend payments.*

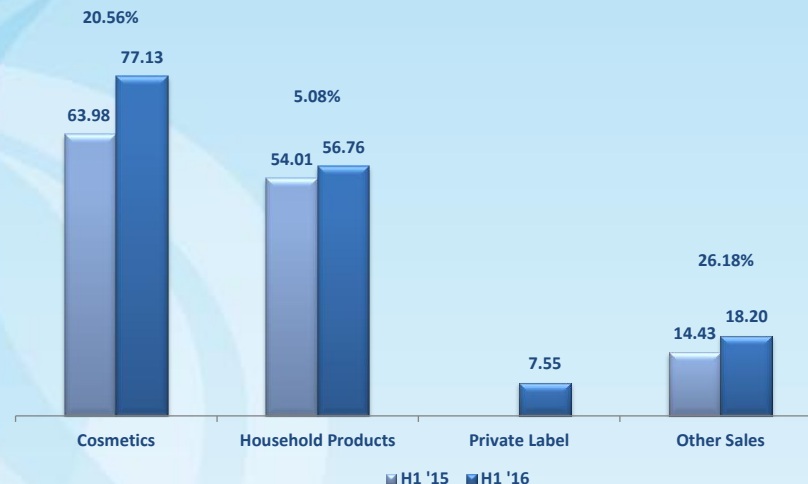
- ✓ *Dividend payment for FY 2015 of 0.16 euro per share (5.5 mil.euro) .*
- ✓ *Net Debt position at €7.12 mil.*
- ✓ *Operating Working capital requirements over sales settled at 30.75% in H1 2016 from 28.42% in FY 2015.*
- ✓ *Operating Working capital increase driven by an increase in receivables due to seasonal products, typical during this period of the year. This increase is temporary and is expected to normalize in the second half of the year.*

## **Business Units Analysis**

# Turnover - SBU Split



Consolidated Turnover Activity Breakdown (€ mil)





- ✓ During H1 2016 total Group sales up by 20.56% supported by growth in all the Group's business categories.

- ✓ **Cosmetics** sales were up by 20.56% yoy, mainly supported by both the own brand portfolio as well as the distributed brands subcategory.
- ✓ Sales of **Household Products** increased by 5.08%, supported by growth in the own brands subcategory, which was partly attributed to the addition of AVA.
- ✓ The increase in the category of **Other Sales** is mainly driven by the Luxury Cosmetics.
- ✓ **Private Label** represents sales of Polipak, the Polish packaging products company acquired in December of 2015, which specializes on the production of private label garbage bags.

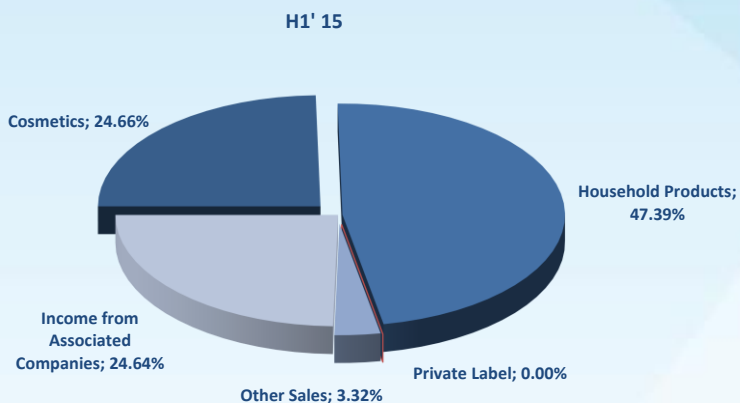
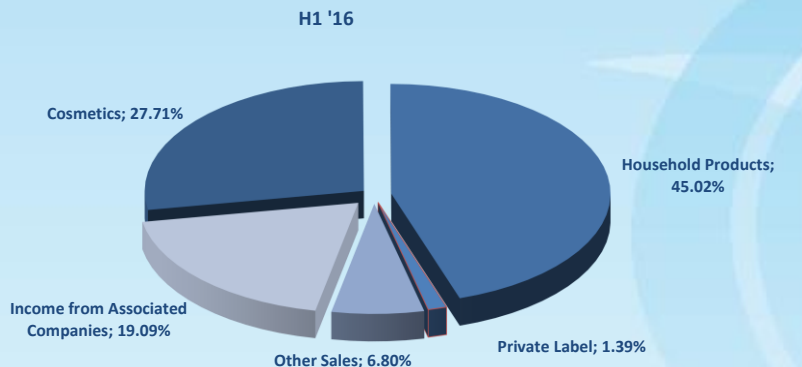
The category of Other Sales includes the subcategories of Health & Care and Selective Products.

# Turnover - Own vs Distributed Brands Overview

(€ mil.)	H1 '16	%	Contribution H1 '16	H1 '15	Contribution H1 '15
Own Brands	<b>114.50</b>	<b>17.33%</b>	 <p>Own brands; 71,73%</p> <p>Distributed brands; 28,27%</p>	<b>97.59</b>	 <p>Own brands; 73,70%</p> <p>Distributed brands; 26,30%</p>
Distributed Brands	<b>45.14</b>	<b>29.60%</b>		<b>34.83</b>	
Total	<b>159.64</b>	<b>50.56%</b>		<b>132.42</b>	

- ✓ Revenues from own brands rose by 17.33% compared to the previous year's first half.
- ✓ Own brands portfolio participation to total group turnover settled at 71.73%.

# EBIT – SBU Split



- ✓ The Group's EBIT benefited by increased sales and operational leverage despite a pressure on the gross profit driven by higher trade allowances and the addition of Polipak.

Consolidated EBIT Activity Breakdown (€ mil)



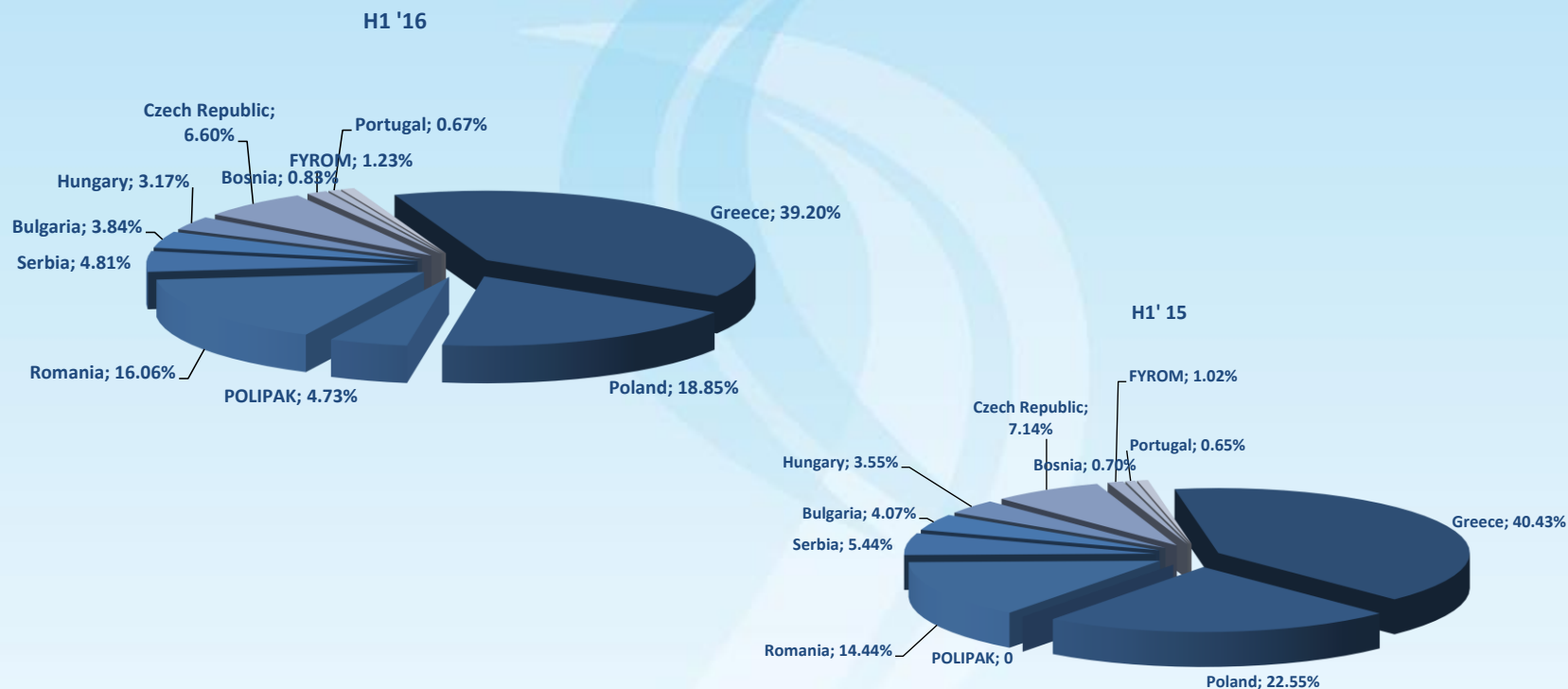
- ✓ **Cosmetics** EBIT increased by 89.04% in H1 2016, driven by both the own Cosmetics subcategory and the distributed brands subcategory. Cosmetics EBIT margin stood at 4.58% from 2.92%.
- ✓ The EBIT of **Household Products** increased by 59.77% during H1 2016, driven by the own brands positive performance. The Household products margin settled at 10.11% from 6.65% in last year's first half.
- ✓ The Income from **Associated Companies** was up by 30.29% contributing 19% to total Group EBIT.

The category of Other Sales includes the subcategories of Health & Care and Selective Products.



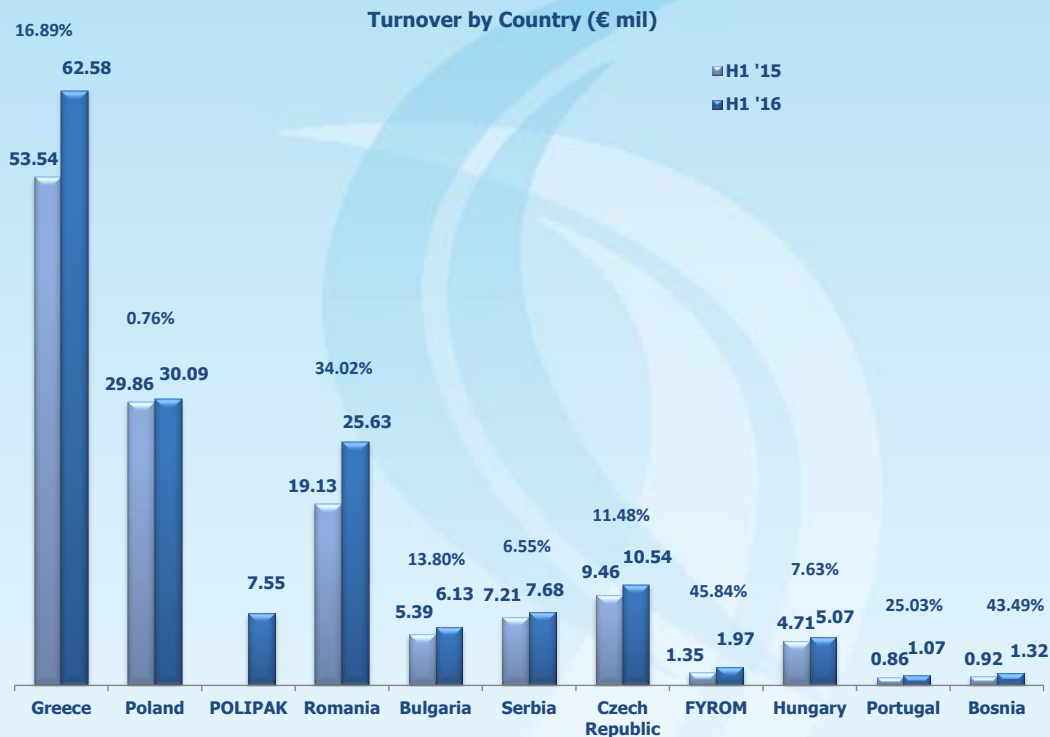
## **Geographical Analysis**

# Turnover - Country Split



✓ During H1 2016 the foreign countries' contribution into the Group's sales stood at 60.80%.

# Turnover

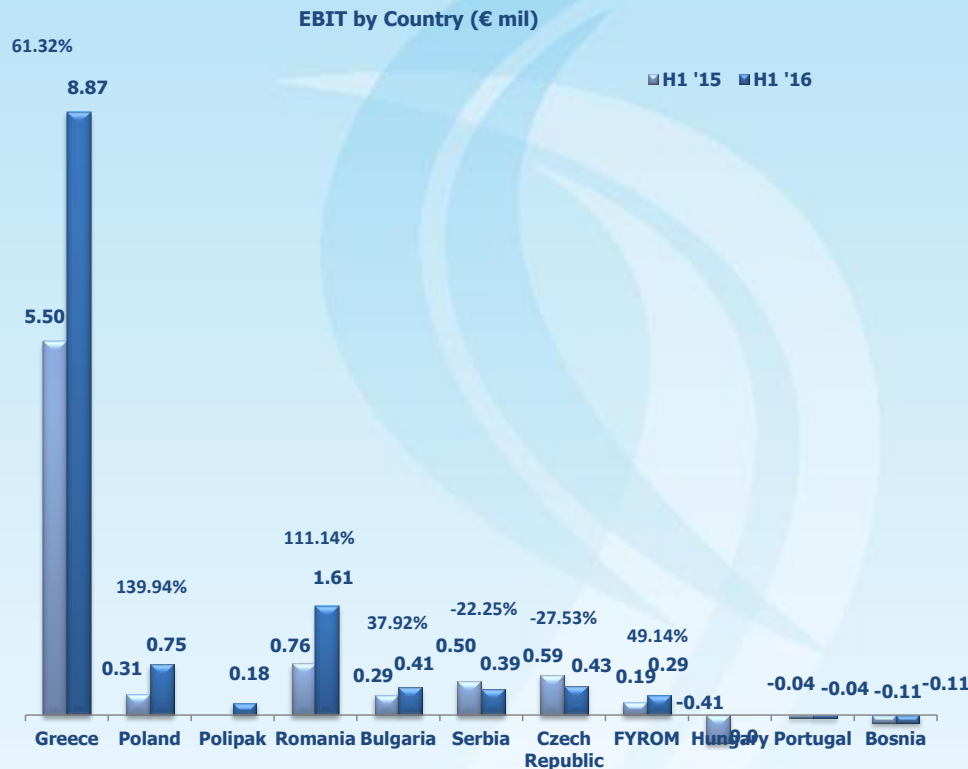


- ✓ The Group's consolidated turnover presented an increase of 20.56% versus last year's first half, supported by the positive performance of both the Foreign Countries and the Greek market.
- ✓ Despite the turbulent macroeconomic environment, Greece, exhibited a sales increase of 16.89% performing better than the total retail market. Greek sales were supported further by the recent acquisition of AVA. Excluding AVA, like-for-like Greek sales were up by 12.55%
- ✓ The foreign markets of the Group showed a turnover increase of 23.05% yoy to €97.06 million from €78.88 mil in H1 2015. The foreign countries presented an average sales growth in local currencies by 26.03%, while the average effect of the currencies devaluation was 2.98%.
- ✓ Moreover, excluding Polipak's contribution, like-for-like foreign countries sales were up by 13.5%.

# Greece vs Eastern Europe – Turnover

(€ mil.)	H1 '16	%	Contribution H1' 16	H1 '15	Contribution H1 '15
<b>Greece</b>	<b>62.58</b>	<b>16.89%</b>	<p>Greece; 39,20%</p> <p>Foreign Countries; 60,80%</p>	<b>53.54</b>	<p>Greece; 40,43%</p> <p>Foreign Countries ; 59,57%</p>
<b>Eastern Europe</b>	<b>97.06</b>	<b>23.05%</b>		<b>78.88</b>	
<b>Total</b>	<b>159.64</b>	<b>20.56%</b>		<b>132.42</b>	

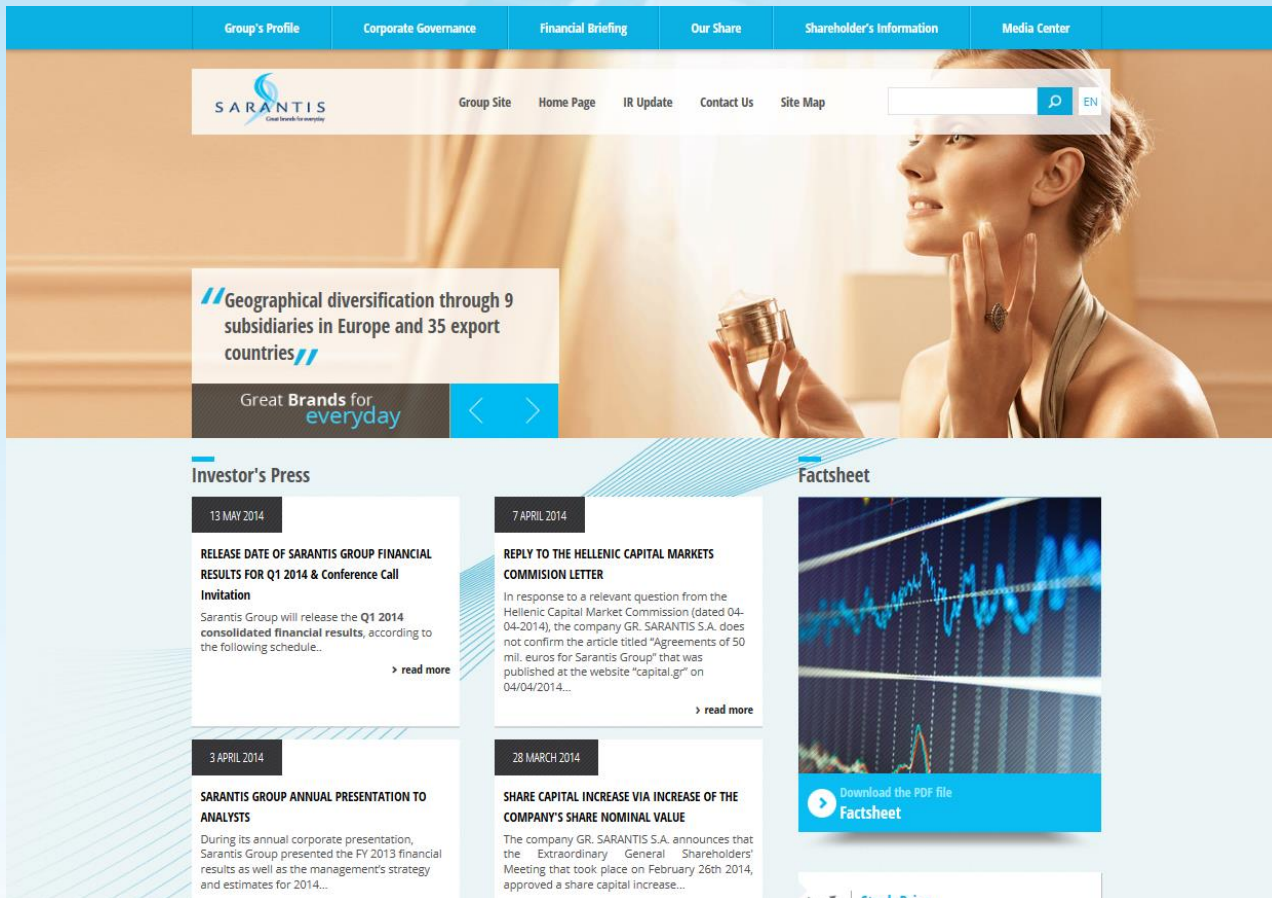
# EBIT – Country Overview



- ✓ The Greek EBIT during H1 2016 increased by 61.32% to €8.87 mil., from €5.50 mil. in H1 2015.
- ✓ Excluding the income from Associated companies, Greek EBIT during H1 2016 amounted to €6.43 mil. increased by 77.29% compared to €3.63 mil. in last year's first half.
- ✓ Greek EBIT margin, excluding income from Associated Companies, stood at 10.28% during H1 2016 from 6.78% in H1 2015.
- ✓ The foreign countries posted an increase in EBIT of 86.28% during H1 2016, amounting to €3.87 mil., from 2.08 mil. The foreign countries EBIT margin rose at 3.99% from 2.64% in the previous year's first half.

# Our Investor Relation Web Page

For more information please visit our  
Investor Relation Web Site



The screenshot displays the Sarantis Investor Relation Web Page. At the top, a blue navigation bar contains links: Group's Profile, Corporate Governance, Financial Briefing, Our Share, Shareholder's Information, and Media Center. Below this, a white header features the Sarantis logo, a search bar, and additional links: Group Site, Home Page, IR Update, Contact Us, and Site Map. The main banner area has a background image of a woman applying cream to her face. A text box on the left of the banner reads: "Geographical diversification through 9 subsidiaries in Europe and 35 export countries". Below the banner, the "Investor's Press" section lists three items: 1) "RELEASE DATE OF SARANTIS GROUP FINANCIAL RESULTS FOR Q1 2014 & Conference Call Invitation" dated 13 MAY 2014; 2) "REPLY TO THE HELLENIC CAPITAL MARKETS COMMISSION LETTER" dated 7 APRIL 2014; and 3) "SARANTIS GROUP ANNUAL PRESENTATION TO ANALYSTS" dated 3 APRIL 2014. To the right, the "Factsheet" section features a line graph and a button to "Download the PDF file Factsheet".

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Geographical diversification through 9 subsidiaries in Europe and 35 export countries

Great Brands for everyday

**Investor's Press**

13 MAY 2014

**RELEASE DATE OF SARANTIS GROUP FINANCIAL RESULTS FOR Q1 2014 & Conference Call Invitation**

Sarantis Group will release the Q1 2014 consolidated financial results, according to the following schedule...

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7 APRIL 2014

**REPLY TO THE HELLENIC CAPITAL MARKETS COMMISSION LETTER**

In response to a relevant question from the Hellenic Capital Market Commission (dated 04-04-2014), the company GR\_SARANTIS S.A. does not confirm the article titled "Agreements of 50 mil. euros for Sarantis Group" that was published at the website "capital.gr" on 04/04/2014...

> read more

3 APRIL 2014

**SARANTIS GROUP ANNUAL PRESENTATION TO ANALYSTS**

During its annual corporate presentation, Sarantis Group presented the FY 2013 financial results as well as the management's strategy and estimates for 2014...

**Factsheet**

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Factsheet

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